

U.S.
UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration //

August 22, 1952

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FROM : William C. Wise, Deputy Administrator

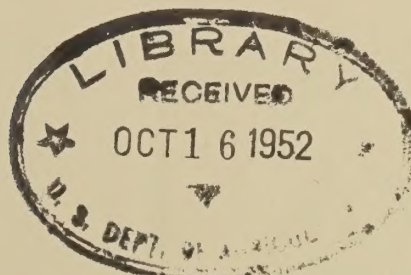
SUBJECT : ³ Production Control For The Electrification Program Under
The New REA Organization. //

A review of our Production Control System has been made in order to reflect the new organization and to review the control steps and standard times for each.

On the basis of this review several changes have been made which are shown in the attached schedules. These schedules will be placed into operation as promptly as possible. The Production Control Section, Administrative Services Division, is requested to make the necessary changes in forms and procedures and to assist the Area Offices and Divisions in putting the revised schedules and records into effect.

Attachments

Wm. C. Wise



830223

STANDARD TIMES, IN CALENDAR DAYS, UTILIZED IN THE PREPARATION OF
PRODUCTION CONTROL REPORTS FOR DISTRIBUTION BORROWER ACTIVITIES.

A. Production Control Schedules For Loans Processes:

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "0" DATE | | | |
|----------------------------------|--------|-----------------------|-------------------------------|---------------|--------------|---------------|
| | | | DISTRIBUTION AND TRANSMISSION | | GENERATION | |
| | | | KWH REQUIRED | KWH AVAILABLE | KWH REQUIRED | KWH AVAILABLE |
| Application Received | APR | LOANS | 0 | 0 | 0 | 0 |
| AL-82 Submitted | AL-82 | LOANS | NN | NN | 7 | 7 |
| KWH Certification Requested | KMR | LOANS | 7 | NN | 7 | NN |
| KWH Certification Completed | KMC | ADM-A | 67 b/ | NN | 67 b/ | NN |
| KWH Reviewed by Borrower's Board | KRB | LOANS | 97 | NN | 97 | NN |
| Application Complete | APC | LOANS | 111 | 50 | 111 | 50 |
| Internal Data Requested | IDR | LOANS | 118 | 57 | 118 | 57 |
| Internal Data Complete | IDC | LOANS | 132 | 71 | 132 | 71 |
| Power Cost Study Completed | PSC | POWER-PL. | NN | NN | 153 | 92 |
| Loan Recommended | LR | LOANS | 146 | 85 | 167 | 106 |
| Loan Docket Examined | LDE | ADM-LR. | 153 | 92 | 174 | 113 |
| Loan Contract Forwarded | LCF | SOL | 162 | 101 | 183 | 122 |
| Loan Contract Signed | LCS | ADM | 169 | 108 | 190 | 129 |
| Loan Contract Signed | LCS | ADM | 0 | 0 | 0 | 0 |
| Loan Contract Executed and | | | | | | |
| Mortgage Recorded | MRE | SOL | 45 | 45 | 45 | 45 |

a/ When an application includes a request for funds for generation as well as distribution and/or transmission, the generation schedule will apply.

b/ When Power Requirement Studies are required an additional 60 days are allowed.

DISTRIBUTION BORROWER SCHEDULES (Cont'd)

B. Production Control Schedules For Distribution Line Construction:

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "O" DATE | |
|-----------------------------------|--------|--------------------|-----------------------------|---------------|
| | | | CONTRACT | FORCE ACCOUNT |
| Loan Contract Signed | LCS | ADM. | 0 | 0 |
| Engineering Contract Approved | ECA | ENGR. | 45 a/ | 45 a/ |
| Final Plans Approved | FPA | ENGR. | 75 | 75 |
| Construction Contract Approved | CAP | ENGR. | 117 | NN |
| Construction Begun | CBE | ENGR. | 147 | 147 |
| Construction Physically Completed | CPC | ENGR. | b/ | b/ |
| Construction Physically Completed | CPC | ENGR. | 0 | 0 |
| Inventory Completed | IC | ENGR. | 60 | 60 |
| Final Requisition Advanced | FRA | OPER. | 90 | 90 |
| Contractor's Receipt Received | CRR | OPER. | 120 | NN |

a/ The method of construction (Contract or Force Account) is to be reported at the same time that ECA is reported cleared.

b/ No set schedule. Line construction should proceed at the rate of .75 miles per day per 100 miles of line. Construction rate is weighted on a basis of .60 credit for poles guyed and anchored, .30 credit for wire strung, and .10 credit for services installed.

DISTRIBUTION BORROWER SCHEDULES (Cont'd)

C. Production Control Schedules For Transmission Line and Substation Construction For Distribution Borrowers:

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "0" DATE | | | |
|------------------------------------|---------------|--------------------|-----------------------------|--------------|---------------|--------------|
| | | | CONTRACT | | FORCE ACCOUNT | |
| | | | LINE | SUBSTATION | LINE | SUBSTATION |
| Loan Contract Signed | LCS | ADM. | 0 | 0 | 0 | 0 |
| Engineering Contract Approved | ECA <u>a/</u> | ENGR | 60 | 60 | 60 | 60 |
| Design Data Approved | DDA | ENGR | 120 | 120 | 120 | 120 |
| Initial Plans and Profile Approved | FPA | ENGR | 210 | NN | 210 | NN |
| Final Plans Approved | FPA | ENGR | 240 | 240 | 240 | 240 |
| Construction Contract Approved | CAP | ENGR | 300 | 300 | NN | NN |
| Construction Contract Approved | CAP | ENGR | 0 | 0 | - | - |
| Construction Begun | CBE | ENGR | 30 | 30 <u>b/</u> | - | - |
| Construction Physically Completed | CPC | ENGR | <u>c/</u> | <u>c/</u> | - | - |
| Final Plans Approved | FPA | ENGR | - | - | 0 | 0 |
| Construction Begun | CBE | ENGR | - | - | 90 | 90 <u>b/</u> |
| Construction Physically Completed | CPC | ENGR | - | - | <u>c/</u> | <u>c/</u> |
| Construction Physically Completed | CPC | ENGR | 0 | 0 | 0 | 0 |
| Inventory Completed | IC | ENGR | 60 | 60 | 60 | 60 |
| Final Requisition Advanced | FRA | OPER | 90 | 90 | 90 | 90 |
| Contractor's Receipt Received | CRR | OPER | 120 | 120 | NN | NN |

a/ The method of construction (Contract or Force Account) is to be reported at the same time that ECA is reported cleared.

b/ The substation will be placed on the slow rate report for a status check when the line (if being simultaneously constructed) is 50 percent complete.

c/ No set schedule. Line construction should proceed at the rate of .5 miles per day and the substation(s) should be completed by the time line construction is completed. Construction rate is weighted on basis of .70 credit for structures erected and .30 credit for conductor strung.

DISTRIBUTION BORROWER SCHEDULES (Cont'd)

D. Production Control Schedules For Generation Plant Construction For Distribution Borrowers:

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "O" DATE | | |
|-------------------------------|--------|--------------------|-----------------------------|--------|-------|
| | | | STEAM | DIESEL | HYDRO |
| Loan Contract Signed | LCS | ADM. | 0 | 0 | 0 |
| Engineering Contract Approved | ECA | POWER | 60 | 60 | 60 |
| Preliminary Plans Approved | PPA | POWER | 120 | 120 | 120 |
| Preliminary Plans Approved | PPA | POWER | 0 | 0 | 0 |
| Detailed Plans Received | DPR | POWER | | | |
| a. Dam | | | NN | NN | * |
| b. Structure | | | * | * | * |
| c. Mechanical | | | * | NN | NN |
| d. Electrical | | | * | * | * |
| e. Prime Mover | | | * | * | * |
| Plant Site Title Cleared | PTC | SOL. | 95 | 95 | 95 |
| Detailed Plans Received | DPR | POWER | | | |
| a. Dam | | | NN | NN | 0 |
| b. Structure | | | 0 | 0 | 0 |
| c. Mechanical | | | 0 | NN | NN |
| d. Electrical | | | 0 | 0 | 0 |
| e. Prime Mover | | | 0 | 0 | 0 |
| Bids Released | BRE | POWER | | | |
| a. Dam | | | NN | NN | 30 |
| b. Structure | | | 30 | 30 | 30 |
| c. Mechanical | | | 30 | NN | NN |
| d. Electrical | | | 30 | 30 | 30 |
| e. Prime Mover | | | 30 | 30 | 30 |
| Bids Approved | BAP | POWER | | | |
| a. Dam | | | NN | NN | 90 |
| b. Structure | | | 90 | 90 | 90 |
| c. Mechanical | | | 90 | NN | NN |
| d. Electrical | | | 90 | 90 | 90 |
| e. Prime Mover | | | 90 | 90 | 90 |

DISTRIBUTION BORROWER SCHEDULES (Cont'd)

D. Production Control Schedules For Generation Plant Construction For Distribution Borrowers: (Cont'd)

| Contract Approved | CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "O" DATE | | |
|--------------------------------|--------------|--------|--------------------|--|--------|-------|
| | | | | STEAM | DIESEL | HYDRO |
| a. Dam | | CAP | POWER | NN | NN | 135 |
| b. Structure | | | | 135 | 135 | 135 |
| c. Mechanical | | | | 135 | NN | NN |
| d. Electrical | | | | 135 | 135 | 135 |
| e. Prime Mover | | | | 135 | 135 | 135 |
| Construction Begun | | CBE | POWER | | | |
| a. Dam | | | | NN | NN | * |
| b. Structure | | | | * | * | * |
| c. Mechanical | | | | * | NN | NN |
| d. Electrical | | | | * | * | * |
| e. Prime Mover | | | | * | * | * |
| Over-all Construction Progress | | | | Percentage of overall construction progress to be reported by Power Division monthly to Production Control | | |
| Energization Date | | END | POWER | * | * | * |
| Energization Date | | END | POWER | 0 | 0 | 0 |
| Inventory Completed | | IC | POWER | 180 | 180 | 180 |
| Final Requisition Advanced | | FRA | OPER. | 210 | 210 | 210 |

*/ Schedule dates for these steps will be determined from the borrowers' engineers schedule as approved by the Power Division or in absence of this schedule on the basis of estimates supplied by the Power Division.

DISTRIBUTION BORROWER SCHEDULES (Cont'd)

E. Standard Times, In Calendar Days, Utilized in the Preparation Of Production Control Reports Of Transfers Of Properties Between REA DISTRIBUTION TYPE BORROWERS a/.

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS | |
|--|--------|--------------------|---------------|-------|
| | | | FROM "O" | DATE |
| Transfer Proposal Received | TPR | LOANS | | 0 |
| Transfer Information Requested | TIR | LOANS | | 10 |
| Approval Memorandum Prepared | AMP | LOANS | | 84 b/ |
| Approval Memorandum Reviewed and Recorded | AMR | ADM-LR | | 87 |
| Approval Memorandum Forwarded | AMF | SOL. | | 97 |
| Approval Memorandum Signed | AMS | ADM. | | 104 |
| Approval Memorandum Signed | AMS | ADM. | | 0 |
| Additional Information Sent to Solicitor | AIS | LOANS | | 14 |
| Transfer Documents Prepared | TDP | SOL. | | 35 |
| Transfer Documents Returned | TDR | LOANS | | 80 |
| Transfer Documents Approved | TDA | SOL. | | 90 |
| Transfer Documents Signed | TDS | ADM. | | 97 |
| Transfer Documents Signed | TDS | ADM. | | 0 |
| Sales Agreement Cleared | SAC | SOL. | | 7 |
| Closing Documents and Instructions Requested | CDR | LOANS | | 14 |
| Closing Documents and Instructions Prepared | CDP | SOL. | | 28 |
| Closing Documents Returned | RCD | LOANS | | 73 |
| Closing Documents Cleared | CDC | SOL. | | 80 |
| Administrative Order Prepared | AOP | ADM-LR | | 87 |
| Administrative Order Forwarded | AOF | SOL. | | 94 |
| Administrative Order Signed | AOS | ADM. | | 101 |
| Administrative Order Signed | AOS | ADM. | | 0 |
| Credit Advice Sent | CAS | CONTROLLER | | 14 |

a/ If the transfer between seller and purchaser involves more than one electric distribution area, the Area Office responsible for the purchasing borrower will be responsible for reporting to the Production Control Section. If the transfer between seller and purchaser involves a distribution type borrower and a power type borrower, the office responsible for the purchasing borrower will be responsible for reporting to the Production Control Section.

b/ Each concurring REA office will be allowed three (3) days to review, approve, and return the approval memorandum to the initiating office.

DEFINITIONS OF STEPS UTILIZED IN THE PREPARATION OF PRODUCTION CONTROL REPORTS FOR DISTRIBUTION BORROWERS

A. Control Steps For Loans Processes:

Application Received - APR is the receipt of a statement of intention from the borrower that a loan is desired. This statement should be submitted on a single page REA form indicating (1) the approximate amount of money required by major purposes, number of miles and members, and other details if known. A board resolution should accompany the statement. In special cases, at the option of the Area Director, a board resolution containing the same information requested on the statement form would be acceptable.

AL-82 Submitted - AL-82 is the submission to Congress by the Area Office of the notice of an application for a loan for generation facilities.

KMH Certification Requested - KMR is the request by the Area Office to the Program Analyst for a KMH Certification and a power requirement study, if necessary.

KMH Certification Completed - KMC is the completion of the KMH certification (and the power requirement study, if necessary) by the Program Analyst and the forwarding of the data to the Area Office.

KMH Reviewed by the Borrower Board - KRB is the forwarding of the KMH certification to the borrower, its review by the borrower's board, and its return to the Area Office by the borrower.

Application Complete - APC is receipt of all the information required from the borrower to process the loan.

Internal Data Requested - IDR is the request for data required from other REA offices by the Loans Specialist, including Power Cost Studies, when required, and Power Source Approval.

Internal Data Complete - IDC is the receipt of all data requested, except the Power Cost Study.

Power Cost Study Completed - PSC is the completion and approval and transmission of such study to the Area Office by the Power Division.

Loan Recommended - LRR is the approval of the loan packet by the Area Office and the forwarding of the packet to the Loan Review Section.

Loan Docket Examined - LDE is the completion of the examination of the loan packet by the Loan Review Section and the forwarding of the packet by that Section to the Office of the Solicitor.

Loan Contract Forwarded - LCF is the forwarding by the Solicitor's Office of the necessary loan documents to the Administrator for signing.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

A. Control Steps for Loans Processes: (Cont'd)

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Loan Contract Executed and Mortgage Recorded - MRE is the approval by the Solicitor's Office of all the loan documents which are signed by the Borrower and its agents and which are necessary before REA funds can be advanced, and the recording of the mortgage in each county in which the Borrower has lines or other property.

B. Control Steps For Distribution Line Construction:

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Engineering Contract Approved - ECA is the approval by the Area Office of the Engineering Contract. At the same time that this step is reported to Production Control as cleared the method of construction is to be indicated on Form 29D.

Final Plans Approved - FPA is the approval of the final plans by the field engineer.

Construction Contract Approved - CAP is the approval by the Area Office of the construction contract. The clearance date of CAP and other related data will be obtained from Form DS-19R4 by the Production Control Section. However, amendments to construction contracts should be reported to the Production Control Section by the Area Office on the Weekly Report Form 29D showing (1) new miles as amended (2) Conversion miles, if any, as amended and (3) dollar amount of contract as amended.

Construction Begun - CBE is the date of the start of construction as reported on Form DS-27R3. This date will be obtained from DS-27R3 by the Production Control Section and therefore need not be reported on the Weekly Report from the Area to the Production Control Section.

Construction Physically Completed - CPC is the final completion of all physical construction.

Inventory Completed - IC is the approval by the Area Office of the final inventory documents submitted by the borrower. This will include approval by the Operations Section, but it will be the responsibility of the Engineering Section to report the clearance of the step. The clearance date for this step will be the date of the inventory approval letter to the borrower.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

B. Control Steps For Distribution Line Construction: (Cont'd)

Final Requisition Advanced - FRA is the final advance of funds to cover the cost of construction accomplished.

Contractor's Receipt Received - CRR is the arrival in Washington and the approval by the Area Office of the Contractor's receipt, indicating he has been paid in full for the construction accomplished.

C. Control Steps For Transmission Line and Substation Construction For Distribution Borrowers:

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Engineering Contract Approved - ECA is the approval of the Engineering Service Contract by the Area Office. The method of construction is to be indicated on Form 29D at the same time that ECA is reported cleared.

Design Data Approved - DDA is the approval of the design data by the Area Office.

Initial Plans and Profile Approved - FPA is the approval by the Area Office of the first Plan and Profile received.

Final Plans Approved - FPA is the approval of the final plans by the Area Office.

Construction Contract Approved - CAP is the approval by the Area Office of the construction contract. The clearance date of CAP and other related data will be obtained from DS-19R4 by the Production Control Section. Amendments, however, should be reported to the Production Control Section on the Weekly Report Form 29D.

Construction Begun - CBE is the date of the start of construction as reported on Form DS-27R3. This date will be obtained from DS-27R3 by the Production Control Section and therefore need not be shown on the Weekly Report from the Area to the Production Control Section.

Construction Physically Completed - CPC is the final completion of all physical construction.

Inventory Completed - IC is the approval by the Area Office of the final inventory documents submitted by the borrower. This will include the approval by the Operations Section but it will be the responsibility of the Engineering Section to report clearance of the step. The clearance date of this step will be the date of the inventory approval letter to the borrower.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

C. Transmission and Substation: (Cont'd)

Final Requisition Advanced - FRA is the final advance of funds by the Area Office to cover the cost of construction accomplished.

Contractor's Receipt Received - CRR is the arrival in Washington and the approval by the Area Office of the Contractor's receipt, indicating he has been paid in full for the construction accomplished.

D. Control Steps for Generation Plant Construction for Distribution Borrowers:

It is recognized that for production control purposes, it would not be practicable to attempt to control all contracts required for the construction of a generating plant. Therefore, a "KEY" Contract related to a grouping of similar work has been selected to be the control document to represent the group. The five groupings are listed below together with a description of the "KEY" Contract that will be used for reporting purposes.

- a. Dam: The contract covering the construction of a "Dam" will include labor and material necessary to construct the structure. The contract may include the powerhouse in some instances. The Hydro Unit or the Steam Unit will be held responsible for the processing of such contract. The Steam Unit in rare instances may process a dam contract for the purposes of storing cooling water.
- b. Structure: All three Units will have "Structure" contracts. In the case of the Steam Unit the "Structure" contract will cover the superstructure of the power plant only. The Internal Combustion Unit "Structure" contract will cover the entire building from foundation to roof and engine foundations. The Hydro Unit might have a contract for "Structure" which may cover a building remote from the dam or the "Structure" may be included in the "Dam" contract.
- c. Mechanical: The Steam Unit will be the only Unit that will process a "Mechanical" contract. The contract will cover the installation of all mechanical equipment and piping which may have been purchased on other material contracts.
- d. Electrical: The "Electrical" contract will involve all three Units. In the case of a steam plant, the contract for the furnishing and installation of the conduit and power wiring will be considered the "Electrical" contract. In the case of the Internal Combustion Unit, the "Electrical" contract will cover the switchboard and switchgear. The Hydro "Electrical" contract will cover the electrical work required in the powerhouse.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

D. Generation Plant Construction - D.B.: (Cont'd)

e. Prime Mover: The "Prime Mover" contract for the Steam Unit will cover the steam turbine and the generator. The Internal Combustion Unit Contract will cover the engine, generator and auxiliaries along with the piping. In the Hydro Unit the "Prime Mover" contract will cover the water wheel without the generator.

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Engineering Contract Approved - ECA is the approval by the Power Division, acting for the Administrator, of the engineering service contract.

Preliminary Plans Approved - PPA is the approval by the Power Division of the requirements of Article II, Section 1 of the Engineering Contract. At this time the Power Division will transmit to Production Control the progress schedules for the Control steps "DPR", "CBE", and "END".

Detailed Plans Received - DPR is the receipt by the Power Division of the detailed plans and specifications for Dam, Structure, Mechanical, Electrical and Prime Mover.

Bids Released - BRE is the notification to Borrower by the Power Division that Final Plans and Specifications have been approved and that the Engineer may proceed to take bids.

Plant Site Title Cleared - PTC is the approval by the Solicitor's office that the site title clearance has progressed to the point that construction can be started.

Bids Approved - BAP is the approval by the Power Division of the material, equipment, or labor and material contract bids.

Contract Approved - CAP is the approval by the Power Division, acting for the Administrator, of the material or labor and material contracts.

Construction Begun - CBE is the date on which the contractor or suppliers start work at the site. The engineer's schedule, as shown on a form similar to PWR 19, should be reported to the Production Control Section as soon as it is reported by the Engineer.

Over-all Construction Progress means the construction progress as reported on a percentage basis by the Borrowers' engineers on a form similar to REA Form PWR-19.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

D. Generation Plant Construction - D.B: (Cont'd)

Energization Date - END is the date the first generating unit is put on the line.

Inventory Completed - IC is the approval by the Power Division and the Operations Section of the Area Office of the final inventory documents submitted by the Borrower. The clearance date of this step will be the date of the inventory approval letter to the borrower, a copy of which will be sent to the appropriate Section of the Power Division by the Area Office.

Final Requisition Advanced - FRA is the final requisition which contains funds for the final payment to the engineer after all documents have been submitted. This step is the responsibility of the Area Office.

E. Control Steps For Transfers of Property:

Transfer Proposal Received - TPR is the receipt in the Area Office of the notification from one of the borrowers involved that a transfer of property between two or more REA borrowers is being considered.

Transfer Information Requested - TIR is the taking of necessary action by the Loans Specialist, Area Office to obtain ALL the information REA and the Office of the Solicitor require from the borrowers.

Approval Memorandum Prepared - AMP is the preparation and review of the Approval Memorandum by the Area Office, its review and concurrence by the Power Division if necessary, and the forwarding of the Memorandum to the Loan Review Section.

Approval Memorandum Reviewed and Recorded - AMR is the review and recording of the Approval Memorandum and its forwarding to the Office of the Solicitor by the Loan Review Section.

Approval Memorandum Forwarded - AMF is the forwarding of the Approval Memorandum by the Office of the Solicitor to the Administrator for signature and the request by the Office of the Solicitor to the Area Office for necessary additional information, if required, for the preparation of the transfer documents.

Approval Memorandum Signed - AMS is the signing of the Approval Memorandum by the Administrator.

Additional Information Sent - AIS is the forwarding to the Office of the Solicitor by the Area Office of the additional necessary information for the preparation of the transfer documents.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

E. Transfer of Property - D,B: (Cont'd)

Transfer Documents Prepared - TDP is the sending of the transfer documents by the Office of the Solicitor to the Area Office so that office may in turn forward them to the borrowers for execution.

Transfer Documents Returned - TDR is the taking of necessary action by the Area Office to obtain the return to the Office of the Solicitor of the executed transfer documents from the borrowers. Responsibility for reporting this step will rest with the Area Office. The Office of the Solicitor will notify the Area Office when the documents have been returned.

Transfer Documents Approved - TDA is the approval by the Office of the Solicitor of all the transfer documents which are signed by representatives of the borrowers involved, and the forwarding of these documents to the Administrator for signature.

Transfer Documents Signed - TDS is the signing of the transfer documents by the Administrator.

Sales Agreement Cleared - SAC is the notification by the Office of the Solicitor to the Area Office that the sales agreement has been examined and approved and found legally sufficient.

Closing Documents and Instructions Requested - CDR is the notification by the Area Office to the Office of the Solicitor of the closing date of the transfer and the request to the Office of the Solicitor to prepare the closing documents and instructions to the borrowers. For control purposes, the term "closing documents" is intended to include the following: a Deed, a Bill of Sale, an Assumption Note, a Partial Release of Liens, a Supplemental Indenture, the Minutes, the Opinion of Counsel, and a Mortgage (if necessary).

Closing Documents and Instructions Prepared - GDP is the sending of the closing documents and instructions by the Office of the Solicitor to the Area Office so that office may in turn forward them to the borrowers for execution.

Closing Documents Returned - RCD is the taking of necessary action by the Area Office to obtain the return to the Office of the Solicitor of the executed closing documents from the borrowers. Responsibility for reporting this step will rest with the Area Office. The Office of the Solicitor will notify the Area Office when the necessary documents have been returned.

Closing Documents Cleared - CDC is the notification by the Office of the Solicitor to the Loan Review Section that the transfer documents have been executed, approved, and forwarded to the Division of the Controller.

DEFINITIONS - DISTRIBUTION BORROWERS (Cont'd)

E. Transfers of Property (Cont'd)

Administrative Order Prepared - AOP is the preparation of the Administrative Order to reflect the transfer by the Loan Review Section and the forwarding of the Administrative Order to the Office of the Solicitor.

Administrative Order Forwarded - AOF is the forwarding, after review, of the Administrative Order by the Office of the Solicitor to the Administrator for approval.

Administrative Order Signed - AOS is the signing of the Administrative Order by the Administrator.

Credit Advice Sent - CAS is the forwarding of the FI-5R, Advice of Credit, to the seller by the Division of the Controller.

August 22, 1952

STANDARD TIMES, IN CALENDAR DAYS, UTILIZED IN THE PREPARATION OF
PRODUCTION CONTROL REPORTS FOR DISTRIBUTION BORROWER ACTIVITIES.

A. Production Control Schedules For Loans Processes:

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "0" DATE | | | |
|----------------------------------|--------|--------------------|-------------------------------|---------------|--------------|---------------|
| | | | DISTRIBUTION AND TRANSMISSION | | GENERATION | |
| | | | KWH REQUIRED | KWH AVAILABLE | KWH REQUIRED | KWH AVAILABLE |
| Application Received | APR | LOANS | 0 | 0 | 0 | 0 |
| AL-82 Submitted | AL-82 | LOANS | NN | NN | 7 | 7 |
| KWH Certification Requested | KMR | LOANS | 7 | NN | 7 | NN |
| KWH Certification Completed | KWC | ADM-A | 67 b/ | NN | 67 b/ | NN |
| KWH Reviewed by Borrower's Board | KRB | LOANS | 97 | NN | 97 | NN |
| Application Complete | APC | LOANS | 111 | 50 | 111 | 50 |
| Internal Data Requested | IDR | LOANS | 118 | 57 | 118 | 57 |
| Internal Data Complete | IDC | LOANS | 132 | 71 | 132 | 71 |
| Power Cost Study Completed | PSC | POWER-PL. | NN | NN | 153 | 92 |
| Loan Recommended | LR | LOANS | 146 | 85 | 167 | 106 |
| Loan Docket Examined | LDE | ADM-LR. | 153 | 92 | 174 | 113 |
| Loan Contract Forwarded | LCF | SOL | 162 | 101 | 183 | 122 |
| Loan Contract Signed | LCS | ADM | 169 | 108 | 190 | 129 |
| Loan Contract Signed | LCS | ADM | 0 | 0 | 0 | 0 |
| Loan Contract Executed and | | | | | | |
| Mortgage Recorded | MRE | SOL | 45 | 45 | 45 | 45 |

a/ When an application includes a request for funds for generation as well as distribution and/or transmission, the generation schedule will apply.

b/ When Power Requirement Studies are required an additional 60 days are allowed.

POWER SCHEDULES (Cont'd)

B. Production Control Schedules For Transmission Line And Substation Construction For Power Borrowers.

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "O" DATE | | | |
|------------------------------------|--------|--------------------|-----------------------------|------------|---------------|------------|
| | | | CONTRACT | | FORCE ACCOUNT | |
| | | | LINES | SUBSTATION | LINES | SUBSTATION |
| Loan Contract Signed | LCS | ADM. | 0 | 0 | 0 | 0 |
| Engineering Contract Approved | ECA a/ | POWER - T. | 60 | 60 | 60 | 60 |
| Design Data Approved | DDA | POWER - T. | 120 | 120 | 120 | 120 |
| Initial Plans and Profile Approved | PFA | POWER - T. | 210 | NN | 210 | NN |
| Final Plans Approved | FPA | POWER - T. | 240 | 240 | 240 | 240 |
| Construction Contract Approved | CAP | POWER - T. | 300 | 300 | NN | NN |
| Construction Contract Approved | CAP | POWER - T. | 0 | 0 | - | - |
| Construction Begun | CBE | POWER - T. | 30 | 30 b/ | - | - |
| Construction Physically Completed | CPC | POWER - T. | c/ | c/ | - | - |
| Final Plans Approved | FPA | POWER - T. | - | - | 0 | 0 |
| Construction Begun | CBE | POWER - T. | - | - | 90 | 90 b/ |
| Construction Physically Completed | CPC | POWER - T. | - | - | c/ | c/ |
| Construction Physically Completed | CPC | POWER - T. | 0 | 0 | 0 | 0 |
| Inventory Completed | IC | POWER - T. | 60 | 60 | 60 | 60 |
| Final Requisition Advanced | FRA | POWER - M. | 90 | 90 | 90 | 90 |
| Contractor's Receipt Received | CRR | POWER - M. | 120 | 120 | NN | NN |

a/ The method of construction (Contract or Force Account) is to be reported at the same time that ECA is reported cleared.

b/ The substation will be placed on the slow rate report for a status check when the line (if being constructed simultaneously) is 50 percent complete.

c/ No set schedule. Line construction should proceed at the rate of .5 miles per day and the substation(s) should be completed by the time line construction is completed. Construction rate is weighted on basis of .70 credit for structures erected and .30 credit for conductor strung.

POWER SCHEDULES (Cont'd)

G. Production Control Schedules For Generation Plant Construction For Power Borrowers:

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "O" DATE | | |
|-------------------------------|--------|--------------------|-----------------------------|--------|-------|
| | | | STEAM | DIESEL | HYDRO |
| Loan Contract Signed | LCS | ADM. | 0 | 0 | 0 |
| Engineering Contract Approved | ECA | POWER | 60 | 60 | 60 |
| Preliminary Plans Approved | PPA | POWER | 120 | 120 | 120 |
| Preliminary Plans Approved | PPA | POWER | 0 | 0 | 0 |
| Detailed Plans Received | DPR | POWER | NN | NN | NN |
| a. Dam | | | * | * | * |
| b. Structure | | | * | * | * |
| c. Mechanical | | | * | * | NN |
| d. Electrical | | | * | * | * |
| e. Prime Mover | | | * | * | * |
| Plant Site Title Cleared | PTC | SOL. | 95 | 95 | 95 |
| Detailed Plans Received | DPR | POWER | NN | NN | 0 |
| a. Dam | | | 0 | 0 | 0 |
| b. Structure | | | 0 | NN | NN |
| c. Mechanical | | | 0 | 0 | 0 |
| d. Electrical | | | 0 | 0 | 0 |
| e. Prime Mover | | | 0 | 0 | 0 |
| Bids Released | BRE | POWER | NN | NN | 30 |
| a. Dam | | | 30 | 30 | 30 |
| b. Structure | | | 30 | NN | NN |
| c. Mechanical | | | 30 | 30 | 30 |
| d. Electrical | | | 30 | 30 | 30 |
| e. Prime Mover | | | 30 | 30 | 30 |
| Bids Approved | BAP | POWER | NN | NN | 90 |
| a. Dam | | | 90 | 90 | 90 |
| b. Structure | | | 90 | NN | NN |
| c. Mechanical | | | 90 | 90 | 90 |
| d. Electrical | | | 90 | 90 | 90 |
| e. Prime Mover | | | 90 | 90 | 90 |

POWER SCHEDULES (Cont'd)

C. Production Control Schedules For Generation Plant Construction For Power Borrowers: (Cont'd)

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | CALENDAR DAYS FROM "O" DATE | | |
|--------------------------------|--------|--------------------|--|--------|-------|
| | | | STEAM | DIESEL | HYDRO |
| Contract Approved | | | | | |
| a. Dam | | | NN | NN | 135 |
| b. Structure | | | 135 | 135 | 135 |
| c. Mechanical | | | 135 | NN | NN |
| d. Electrical | | | 135 | 135 | 135 |
| e. Prime Mover | | | 135 | 135 | 135 |
| Construction Begun | | | | | |
| a. Dam | CBE | POWER | NN | NN | * |
| b. Structure | | | * | * | * |
| c. Mechanical | | | * | NN | NN |
| d. Electrical | | | * | * | * |
| e. Prime Mover | | | * | * | * |
| Over-all Construction Progress | | | Percentage of overall construction progress to be reported by Power Division monthly to Production Control | | |
| Energization Date | END | POWER | * | * | * |
| Energization Date | END | POWER | 0 | 0 | 0 |
| Inventory Completed | IC | POWER | 180 | 180 | 180 |
| Final Requisition Advanced | FRA | POWER - M. | 210 | 210 | 210 |

*/ Schedule dates for these steps will be determined from the borrowers' engineers schedule as approved by the Power Division or in absence of this schedule on the basis of estimates supplied by the Power Division.

POWER SCHEDULES (Cont'd)

D. Standard Times, In Calendar Days, Utilized In the Preparation of Production Control Reports of Transfers of Properties Between REA POWER TYPE BORROWERS - a/.

| CONTROL STEP | SYMBOL | OFFICE RESPONSIBLE | | CALENDAR DAYS FROM "0" DATE | |
|--|--------|--------------------|--|-----------------------------|----|
| | | | | | |
| Transfer Proposal Received | TFR | POWER - PL. | | 0 | |
| Transfer Information Requested | TIR | POWER - PL. | | 10 | |
| Approval Memorandum Prepared | AMP | POWER - PL. | | 84 | b/ |
| Approval Memorandum Reviewed and Recorded | AMR | ADM. - LR | | 87 | |
| Approval Memorandum Forwarded | AMF | SOL. | | 97 | |
| Approval Memorandum Signed | AMS | ADM. | | 104 | |
| Approval Memorandum Signed | AMS | ADM. | | 0 | |
| Additional Information Sent to Solicitor | AIS | POWER - PL. | | 14 | |
| Transfer Documents Prepared | TDP | SOL. | | 35 | |
| Transfer Documents Returned | TDR | POWER - PL. | | 80 | |
| Transfer Documents Approved | TDA | SOL. | | 90 | |
| Transfer Documents Signed | TDS | ADM. | | 97 | |
| Transfer Documents Signed | TDS | ADM. | | 0 | |
| Sales Agreements Cleared | SAC | SOL. | | 7 | |
| Closing Documents and Instructions Requested | CDR | POWER - PL. | | 14 | |
| Closing Documents and Instructions Prepared | CDP | SOL. | | 28 | |
| Closing Documents Returned | RCD | POWER - PL. | | 73 | |
| Closing Documents Cleared | CDG | SOL. | | 80 | |
| Administrative Order Prepared | AOP | ADM. - LR | | 87 | |
| Administrative Order Forwarded | AOF | SOL. | | 94 | |
| Administrative Order Signed | AOS | ADM. | | 101 | |
| Administrative Order Signed | AOS | ADM. | | 0 | |
| Credit Advice Sent | CAS | CONTROLLER | | 14 | |

- a/ If the transfer between seller and purchaser involves a distribution type borrower and a power type borrower, the office responsible for the purchasing borrower will be responsible for reporting to the Production Control Section.
- b/ Each concurring REA Office will be allowed three (3) days to review, approve, and return the approval memorandum to the initiating office.

POWER BORROWERS (Cont'd)

DEFINITIONS OF STEPS UTILIZED IN THE PREPARATION OF PRODUCTION CONTROL REPORTS FOR POWER BORROWERS

A. Control Steps For Loans Processes:

Application Received - APR is the receipt of a statement of intention from the borrower that a loan is desired. the case of a prospective power type borrower, a letter or statement of intention from the organizing group will be considered as an application for Production Control purposes.

KWH Certification Requested - KWR (Power) is the request by the Power Division to the Area Office for the KWH certifications necessary in the processing of an application from a Power Borrower.

KWH Certification Requested - KWR (Area) is the request by the Area Office to the Program Analyst for the KWH certifications necessary in the processing of an application from a Power Borrower.

KWH Certification Completed - KWC is the completion of the KWH certifications (and the power requirement studies, if required) by the Program Analyst and the forwarding of the data to the Area Office.

KWH Reviewed by Borrowers' Boards - KRB is the forwarding of the KWH certifications to member borrowers, their review by the borrowers' boards, their return to the Area Office, and the forwarding of the load data to the Power Division by the Area Office.

Application Complete - APC is the receipt (in the Power Division) of all information required from the borrower to process the loan recommendation.

AL-82 Submitted - AL-82 is the submission to Congress by the Power Division of the notice of an application for loan for generation facilities.

Loan Recommended - LR is the approval of the loan packet by the Power Division and the forwarding of the packet to the Loan Review Section.

Loan Docket Examined - LDE is the completion of the examination of the loan packet by the Loan Review Section and the forwarding of the packet by that Section to the Office of the Solicitor.

Loan Contract Forwarded - LCF is the forwarding by the Solicitor's Office of the necessary loan documents to the Administrator for signing.

POWER BORROWERS (Cont'd)

A. DEFINITIONS OF STEPS FOR POWER BORROWERS: (Cont'd)

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Loan Contract Executed and Mortgage Recorded - MRE is the approval by the Solicitor's Office of all the loan documents which are signed by the Borrower and its agents and which are necessary before REA funds can be advanced, and the recording of the mortgage in each county in which the Borrower has lines or other property.

B. Control Steps for Transmission Line and Substation Construction for Power Borrowers:

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Engineering Contract Approved - ECA is the approval of the Engineering Service Contract by the Power Division. The method of construction is to be indicated on Form 29L at the same time that ECA is reported cleared.

Design Data Approved - DDA is the approval of the design data by the Power Division.

Initial Plans and Profile Approved - PFA is the approval by the Power Division of the First Plan and Profile received.

Final Plans Approved - FPA is the approval of the final plans by the Power Division.

Construction Contract Approved - CAP is the approval by the Power Division of the construction contract. The clearance date of CAP and other related data will be obtained from PMR-24 by the Production Control Section.

Construction Begun - CBE is the date of the start of construction. This date will be obtained from DS-27R3 by the Production Control Section and therefore need not be shown on the Weekly Report from the Power Division to the Production Control Section.

Construction Physically Completed - CPC is the final completion of all physical construction.

Inventory Completed - IC is the approval by the Power Division of the final inventory documents submitted by the borrower. This will include approval by the Management Section, but it will be the responsibility of the Transmission Section to report the clearance of this step. The clearance date of this step will be the date of the inventory approval letter to the borrower.

POWER BORROWERS (Cont'd)

B. Control Steps for Transmission Line and Substation Construction for Power Borrowers: (Cont'd)

Final Requisition Advanced - FRA is the final advance of funds by the Power Division to cover the cost of construction accomplished.

Contractor's Receipt Received - CRR is the arrival in Washington and the approval by the Power Division of the contractor's receipt, indicating he has been paid in full for the construction accomplished.

C. Control Steps for Generation Plant Construction for Power Borrowers:

It is recognized that for production control purposes, it would not be practicable to attempt to control all contracts required for the construction of a generating plant. Therefore, a "KEY" Contract related to a grouping of similar work has been selected to be the control document to represent the group. The five groupings are listed below together with a description of the "KEY" Contract that will be used for reporting purposes.

a. Dam: The contract covering the construction of a "Dam" will include the labor and material necessary to construct the structure. The contract may include the powerhouse in some instances. The Hydro Unit or the Steam Unit will be held responsible for the processing of such contract. The Steam Unit in rare instances may process a dam contract for the purposes of storing cooling water.

b. Structure: All three Units will have "Structure" contracts. In the case of the Steam Unit the "Structure" contract will cover the superstructure of the power plant only. The Internal Combustion Unit "Structure" contract will cover the entire building from foundation to roof and engine foundations. The Hydro Unit might have a contract for "Structure" which may cover a building remote from the dam or the "Structure" may be included in the "Dam" contract.

c. Mechanical: The Steam Unit will be the only Unit that will process a "Mechanical" contract. The contract will cover the installation of all mechanical equipment and piping which may have been purchased on other material contracts.

d. Electrical: The "Electrical" contract will involve all three Units. In the case of a steam plant, the contract for the furnishing and installation of the conduit and power wiring will be considered the "Electrical" contract. In the case of the Internal Combustion Unit, the "Electrical" contract will cover the switchboard and switchgear. The Hydro "Electrical" contract will cover the electrical work required in the powerhouse.

POWER BORROWERS (Cont'd)

C. Control Steps for Generation Plant Construction for Power Borrowers: (Cont'd)

e. Prime Mover: The "Prime Mover" contract for the Steam Unit will cover the steam turbine and the generator. The Internal Combustion Unit contract will cover the engine, generator and auxiliaries along with the piping. In the Hydro Unit the "Prime Mover" contract will cover the water wheel without the generator.

Loan Contract Signed - LCS is the approval of the loan by the Administrator.

Engineering Contract Approved - ECA is the approval by the Power Division, acting for the Administrator, of the engineering service contract.

Preliminary Plans Approved - PPA is the approval by the Power Division of the requirements of Article II, Section 1 of the Engineering Contract. At this time the Power Division will transmit to Production Control the progress schedules for the control steps "DPR", "CBE", and "END".

Detailed Plans Received - DPR is the receipt by the Power Division of the detailed plans and specifications for Dam, Structure, Mechanical, Electrical, and Prime Mover.

Bids Released - BRE is the notification to Borrower by the Power Division that Final Plans and Specifications have been approved and that the Engineer may proceed to take bids.

Plant Site Title Cleared - PTC is the approval by the Solicitor's Office that the site title clearance has progressed to the point that construction can be started.

Bids Approved - BAP is the approval by the Power Division of the material, equipment, or labor and material contract bids.

Contract Approved - CAP is the approval by the Power Division, acting for the Administrator, of the material or labor and material contracts.

Construction Begun - CBE is the date on which the contractor or suppliers start work at the site. The engineer's schedule, as shown on a form similar to PWR 19, should be reported to the Production Control Section as soon as it is reported by the Engineer.

Over-all Construction Progress means the construction progress as reported on a percentage basis by the Borrowers' engineers on a form similar to REA Form PWR-19.

POWER BORROWERS (Cont'd)

C. Control Steps for Generation Plant Construction for Power Borrowers: (Cont'd)

Energization Date - END is the date the first generating unit is put on the line.

Inventory Completed - IC is the approval by the Power Division of the final inventory documents submitted by the Borrower. This will include approval by the Management Section, but it will be the responsibility of the appropriate Generation Section to report the clearance of this step. The clearance date of this step will be the date of the inventory approval letter to the borrower.

Final Requisition Advanced - FRA is the final requisition which contains funds for the final payment to the engineer after all documents have been submitted.

D. Definitions of Control Steps For Transfers of Property:

Transfer Proposal Received - TPR is the receipt in the Power Division of the notification from one of the borrowers involved that a transfer of property between two or more REA borrowers is being considered.

Transfer Information Requested - TIR is the taking of necessary action by the Loans Specialist, Power Division to obtain ALL the information REA and the Office of the Solicitor require from the borrowers.

Approval Memorandum Prepared - AMP is the preparation and review of the Approval Memorandum by the Power Division, its review and concurrence by the Area Office if necessary, and the forwarding of the Memorandum to the Loan Review Section.

Approval Memorandum Reviewed and Recorded - AMR is the review and recording of the Approval Memorandum and its forwarding to the Office of the Solicitor by the Loan Review Section.

Approval Memorandum Forwarded - AMF is the forwarding of the Approval Memorandum by the Office of the Solicitor to the Administrator for signature and the request by the Office of the Solicitor to the Power Division for necessary additional information, if required, for the preparation of the transfer documents.

Approval Memorandum Signed - AMS is the signing of the Approval Memorandum by the Administrator.

Additional Information Sent - AIS is the forwarding to the Office of the Solicitor by the Power Division of the additional necessary information for the preparation of the transfer documents.

POWER BORROWERS (Cont'd)

D. Definitions of Control Steps for Transfers of Property: (Cont'd)

Transfer Documents Prepared - TDP is the sending of the transfer documents by the Office of the Solicitor to the Power Division so that that Division may in turn forward them to the borrowers for execution.

Transfer Documents Returned - TDR is the taking of necessary action by the Power Division to obtain the return to the Office of the Solicitor of the executed transfer documents from the borrowers. Responsibility for reporting this step will rest with the Power Division. The Office of the Solicitor will notify the Power Division when the documents have been returned.

Transfer Documents Approved - TDA is the approval by the Office of the Solicitor of all the transfer documents which are signed by representatives of the borrowers involved, and the forwarding of these documents to the Administrator for signature.

Transfer Documents Signed - TDS is the signing of the transfer documents by the Administrator.

Sales Agreement Cleared - SAC is the notification by the Office of the Solicitor to the Power Division that the sales agreement has been examined and approved and found legally sufficient.

Closing Documents and Instructions Requested - CDR is the notification by the Power Division to the Office of the Solicitor of the closing date of the transfer and the request to the Office of the Solicitor to prepare the closing documents and instructions to the borrowers. For control purposes, the term "closing documents" is intended to include the following: a Deed, a Bill of Sale, an Assumption Note, a Partial Release of Liens, a Supplemental Indenture, the Minutes, the Opinion of Counsel, and a Mortgage (if necessary).

Closing Documents and Instructions Prepared - GDP is the sending of the closing documents and instructions by the Office of the Solicitor to the Power Division so that office may in turn forward them to the borrowers for execution.

Closing Documents Returned - RCD is the taking of necessary action by the Power Division to obtain the return to the Office of the Solicitor of the executed closing documents from the borrowers. Responsibility for reporting this step will rest with the Power Division. The Office of the Solicitor will notify the Power Division when the necessary documents have been returned.

POWER BORROWERS (Cont'd)

D. Definitions of Transfers of Property: (Cont'd)

Closing Documents Cleared - CDC is the notification by the Office of the Solicitor to the Loan Review Section that the transfer documents have been executed, approved, and forwarded to the Division of the Controller.

Administrative Order Prepared - AOP is the preparation of the Administrative Order to reflect the transfer by the Loan Review Section and the forwarding of the Administrative Order to the Office of the Solicitor.

Administrative Order Forwarded - AOF is the forwarding, after review, of the Administrative Order by the Office of the Solicitor to the Administrator for approval.

Administrative Order Signed - AOS is the signing of the Administrative Order by the Administrator.

Credit Advice Sent - CAS is the forwarding of the FI-5R, Advice of Credit, to the seller by the Division of the Controller.

August 22, 1952